

## DESCRIPTION OF CAPITAL IMPROVEMENT PROGRAM

### FISCAL YEARS 2002 - 2006

The Capital Improvement Program (CIP) contains the budgeted and proposed capital improvements by project description, proposed funding source, and scheduled costs. The CIP is a planning and financial tool for the City to prepare for future needs. The City's CIP is broken into two parts. The first part covers the proposed capital improvements in the General Fund. The second covers those improvements in the Water and Sewer Fund. A brief narrative is provided for each proposed project. Following the narratives, a detailed CIP schedule for each fund is presented.

#### General Fund CIP

The following projects have been proposed over the next five years in the General Fund. Funding has been provided for the FY2001-02 projects in the budget.

**City Office Building:** Future plans include an exterior cleaning and weatherproofing, construction of a parking lot addition to serve the building, and installation of a building-wide sprinkler system.

*Impact on Operations:* There will be no impact on operations.

**Police Headquarters:** Improvements have been proposed as the result of a facilities assessment that include the renovation of the second floor, installation of a new roof, exterior and interior wall repairs, new carpet and paint.

*Impact on Operations:* There will be no impact on operations. There may be an impact on debt service costs if the City decides to finance the construction costs. The estimated debt service for the improvements would be \$90,000 annually.

**The Plaza:** Planned improvements include preventive maintenance and the structured replacement of appliances in the apartments.

*Impact on Operations:* There will be no impact on operations.

**HVAC Repairs to Various Facilities:** The City is continuing repair and replacement of outdated HVAC systems.

*Impact on Operations:* There will be no impact on operations.

**Remodel Bathrooms at Fire Station 53:** During FY1996-97, the heating system was replaced which impacted the bathroom area at this station. The ductwork and furnace are now exposed. Additionally, this area was constructed in the 1950's in a style that does not assure privacy for today's firefighters.

*Impact on Operations:* There will be no impact on operations.

**Public Services Department – Overall:** The City will contract with a facilities specialist in FY2001-02 to review all of the buildings used in the Public Services Department. Divisions within this Department include Fleet Management, Transit, Street, Waste Management, Landscaping, Traffic Operations, and Cemetery. Listed this year are estimates of expenditures based on departmental requests. Future capital expenditures will be based on the results of the independent review. At the completion of the review, the impact on operations will be assessed.

**Public Services-Fleet Management Facility:** Due to the growth in the City's fleet and the size of certain vehicles, the Fleet building will require an addition.

*Impact on Operations:* There will be no impact on operations, but may impact debt service as debt is issued to finance the addition.

**Public Services–Street Division - Equipment/Materials Storage:** The City has an old landfill that is used for storage of materials such as compost, dirt, road salt, and sand. Storage facilities are needed to keep these materials dry and allow for continuation of work projects regardless of weather conditions. An addition to the office and employee parking are also projected.

***Impact on Operations:*** *There will be no impact on operations.*

**Public Services–Cemetery Division - Facility Improvements:** Installation of wrought iron fences to the entrances of Chestnut Hill Cemetery.

***Impact on Operations:*** *There will be no impact on operations.*

**Lincoln Park Pool Replacement:** The City plans on issuing \$400,000 in lease/purchase financing to replace the existing pool that serves Lincoln Park.

***Impact on Operations:*** *Will increase debt service approximately \$40,000 annually. The staffing to maintain the facilities is already in place.*

**Various Parks and Recreation Renovations:** Funding is recommended to continue improving the state of the parks and replace old and worn equipment and facilities.

***Impact on Operations:*** *There will be no impact on operations. A constant amount of funding is appropriated annually to improve and renovate park equipment and facilities.*

**Salisbury West Recreation Complex:** The City renovated the gym during FY2000-01. Additional components of the construction to be completed will include the parking lot renovation/expansion, gym/fitness room and classroom equipment.

***Impact on Operations:*** *There will be no impact on operations.*

**Tennis Courts at City Park:** The tennis courts require surface treatments every three to four years and resurfacing every nine to twelve years.

***Impact on Operations:*** *There will be no impact on operations.*

**Sports Complex Renovation:** Due to the age and condition of this facility, a major renovation is needed to repair the fields and buildings. The fields need to be properly graded to promote adequate drainage, then reseeded.

***Impact on Operations:*** *There will be no impact on operations.*

**Town Creek Park Development:** The Town Creek Park would be developed to include multipurpose fields, walking trails, and basketball courts.

***Impact on Operations:*** *Will increase debt service approximately \$60,000 annually and require additional annual operational expenditures of \$50,000.*

**City Park Renovation:** Due to the age and condition of this facility, a renovation is required to repair the facilities and grounds.

***Impact on Operations:*** *Will increase debt service approximately \$25,000 annually.*

**City Park Recreation Center Renovation:** Due to the age and condition of this facility, a renovation is required to rehabilitate the building and provide new furnishings.

***Impact on Operations:*** *There will be no impact on operations.*

**Civic Center Foundation Wall Stabilization:** This would provide for additional drainage and repair existing water damage to the walls.

***Impact on Operations:*** *There will be no impact on operations.*

**Construct New Fire Station:** This station is needed to protect the growth around the Salisbury Mall/Highway 70 area.

**Impact on Operations:** *The greatest impact of the CIP on General Fund operations will be in the construction and staffing of the new fire station. Currently, the estimated additional personnel, operations and debt service costs will be approximately \$826,000 annually.*

**Impact on Operations in General Fund –** *Most capital improvements will not have a major impact on the operating costs of the General Fund except for the staffing and operations of a new fire station. A constant amount of funding is set aside in the General Fund Budget for improvements to upgrade aging and inadequate offices and buildings.*

### **Water and Sewer Fund CIP**

The Water and Sewer Fund's CIP is broken into water projects and sewer projects. The following water projects have been proposed over the next five years. Funding has been provided for the FY2001-02 projects in the budget.

**Water Line Repair and Replacement:** Each year, the City budgets funds to repair and replace our aging water distribution system. Actual projects are identified and prioritized annually.

**Water Line Extensions:** Each year the City budgets funds to extend water lines in accordance with the Water/Sewer Extension Policy. Actual projects are identified and prioritized annually.

**Water Treatment Plant Upgrade:** Our current water treatment plant is over forty years old. Repairs and improvements are needed in order to ensure compliance with regulations and reliability of supply. In FY1999-2000 and FY2000-01, the City completed the projects in Phase 1, which included items such as filter rehabilitation, an emergency generator, new filter valves and controllers, and clearwell baffles. Phase 2 of the upgrade will provide a new chemical feed system, add additional capacity to the plant, and ensure our ability to meet all current and proposed federal/state standards.

**Raw Water Force Main and Gravity Lines:** Our aging raw water supply system must also be upgraded in order to ensure that water can be reliably conveyed to the Water Plant Treatment Plant. The first phase will include an upgrade of the manifold at the Yadkin River Pump Station to allow an increase in pumping capacity from 12 million gallons per day (MGD) up to 33 MGD and the installation of a new 42" force main from the Yadkin River Pump Station to the reservoirs. The second phase includes the installation of a new 30" gravity line from the reservoirs to the Water Treatment Plant. The upgrading of the lines in size will also allow for the proposed expansion of the Water Treatment Plant.

**Finished Water Line to South End of County:** The City is currently working with Rowan County and several cities in the southern part of the county to serve them with potable water to relieve the water shortages that exist there due to the prolonged drought in this area. The current schedule projects that construction will begin sometime in the late summer or early fall.

**Finished Water Transmission Facilities Highway 70:** The City is currently designing new water transmission facilities to replace the current ones that exist along Highway 70. The State of North Carolina is currently widening Highway 70 to four lanes. The State is requiring the City to relocate all water lines that are currently in their right-of-way to move outside of the State's right-of-way.

The following sewer projects have been proposed over the next five years.

**Sewer Line Repair and Replacement:** Each year, the City budgets funds to repair and replace our aging sewer collection system. Actual projects are identified and prioritized annually.

**Sewer Line Extensions:** Each year, the City budgets funds to extend sewer lines in accordance with the Water/Sewer Extension Policy. Actual projects are identified and prioritized annually.

**Grant Creek and Town Creek WWTP Upgrade:** The State of North Carolina is not proposing nutrient limits as part of the basinwide management plan. Therefore, it is possible that we could operate the two existing WWTPs for an additional 10 to 15 years before a new combined WWTP would have to be built. In order to operate the aging facilities for that length of time and maintain compliance, it will be necessary to replace and upgrade existing equipment and consider the construction of additional clarifiers and tertiary treatment such as sand filters.

**Spencer Outfall:** This project will eliminate a wastewater treatment plant at Spencer and divert the discharge to one of our current WWTPs.

**Laboratory Expansion/Maintenance Building:** This project consists of the expansion of the laboratory in the existing building, including HVAC improvements to improve ventilation to meet OSHA standards. A new building to house the maintenance shop for the Plants Maintenance Division will allow for a more enclosed shop area for equipment repairs and to accommodate additional personnel due to consolidation.

*Impact on Operations in Water/Sewer Fund - These capital improvements will not have an adverse impact of the operating costs of the Water and Sewer Fund. Currently, no additional staffing is proposed due to any CIP project, either for construction or ongoing operation. The proposed improvements are needed for upgrading aging infrastructure, providing services to new areas, equipping the system with backup and meeting mandates from State and federal government.*

*The City participates in extension projects that have an approximate 10-year payback, based on availability of funds in each budget year. During FY2001-02, the City is budgeting \$524,000 for extension projects. Any costs beyond the estimated payback or availability of funds are required to be paid by the developer.*

*Debt service requirements for the CIP are calculated in the Water/Sewer rate structure. Utility rates including operations and debt service for residential customers are projected to increase an average of 9.9% in FY2001-02.*

**CAPITAL IMPROVEMENT PROGRAM (FY 2002-06)**  
**GENERAL FUND SCHEDULE**

PROJECT DESCRIPTION (\$ 000's)	PROPOSED FUNDING SOURCE	TOTAL PROJECT COST FY 02-06	FIVE YEAR SCHEDULE (FY)				
			2001-02	2002-03	2003-04	2004-05	2005-06
<b>BUILDINGS AND GROUNDS</b>							
City Office Building	General Fund	\$ 418	\$ -	\$ 183	\$ 150	\$ -	\$ 85
Police Headquarters	Lease Purchase	889		785	104		
The Plaza	General Fund	279	40	68	75	48	48
HVAC Repairs to Various Facilities	General Fund	183	64	29	30	30	30
Remodel Bathroom at Fire Station 53	General Fund	45		45			
Addition and Equiping Fleet Management Facility	Lease Purchase	339		289	50		
Equipment/Materials Storage/ Office Addition - Street Division	General Fund	250		50	50	20	130
Facility Improvements- Cemetery Division	General Fund	25		25			
<b>PARKS &amp; RECREATION</b>							
Lincoln Park Pool Replacement	Lease Purchase	400			400		
Renovations-Various Parks & Neighborhood Facilities	General Fund	500	100	100	100	100	100
Salisbury West Recreation Complex	Lease Purchase	150			50		100
Tennis Courts at City Park	General Fund	100		25			75
Sports Complex Renovation	General Fund	150					150
Town Creek Park Development	Lease Purchase	600				200	400
City Park Renovations	Lease Purchase	250					250
City Park Recreation Center Renovation	General Fund	25					25
Civic Center Foundation Wall Stabilization	General Fund	60		60			
<b>OTHER</b>							
Construct New Fire Station	General Fund/ Lease Purchase	1,000			1,000		
<b>TOTAL GENERAL FUND</b>			\$ 204	\$ 1,476	\$ 1,859	\$ 398	\$ 1,308

**CAPITAL IMPROVEMENT PROGRAM (FY 2002-06)**  
**WATER AND SEWER FUND SCHEDULE**

PROJECT DESCRIPTION (\$ 000's)	PROPOSED FUNDING SOURCE	TOTAL PROJECT COST FY 02-06	FIVE YEAR SCHEDULE (FY)				
		2001-02	2002-03	2003-04	2004-05	2005-06	
WATER IMPROVEMENTS							
Water Line Repair/Replacement	W/S Rates	\$ 490	\$90	\$100	\$100	\$100	\$100
Water Line Extensions	W/S Rates	1,262	262	250	250	250	250
Water Treatment Plant Upgrade	Revenue Bonds	6,317	5,417		900		
Raw Water Force Main & Gravity Lines	Revenue Bonds	5,001	1,730	3,271			
Finished Water Line to South End of County	Lease-Purchase/ Rowan County	7,400	7,400				
Finished Water Transmission Facilities Hwy70	Revenue Bonds	4,584	612	3,972			
TOTAL WATER IMPROVEMENTS		\$25,054	\$15,511	\$7,593	\$1,250	\$350	\$350
SEWER IMPROVEMENTS							
Line Repair/Replacement	W/S Rates	\$930	\$130	\$200	\$200	\$200	\$200
Sewer Line Extensions	W/S Rates	1,262	262	250	250	250	250
Grant Creek & Town Creek WWTP Upgrade	Revenue Bonds	6,300			2,100	2,100	2,100
Spencer Outfall	W/S Rates	900		900			
Maintenance Building and Lab Expansion	Revenue Bonds	2,319				1,155	1,164
TOTAL SEWER IMPROVEMENTS		\$11,711	\$392	\$1,350	\$2,550	\$3,705	\$3,714
TOTAL WATER/SEWER IMPROVEMENTS		\$36,765	\$15,903	\$8,943	\$3,800	\$4,055	\$4,064

